

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:2462

ANSWERED ON:09.05.2016

Export from MSME Sector

Kalvakuntla Smt. Kavitha;Sawaikar Shri Advocate Narendra Keshav

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether the Government proposes to extend or has already extended fiscal benefits to Micro, Small and Medium enterprises (MSME) sector to boost exports from the sector and if so, the details thereof;
- (b) whether the Government proposes to create an Export Development Fund to boost exports from the sector;
- (c) if so, the details thereof along with the contribution of MSME sector to the total exports of the country in the last three years;
- (d) whether the Federation of Indian Export Organisation (fiec) has expressed serious concern about the declining export and has demanded investment linked benefit for MSME sector; and
- (e) if so, the details thereof along with the reaction of the Government thereto?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE)
(SMT. NIRMALA SITHARAMAN)

(a) The following are some of the measures Government has taken to promote exports:

i. The Merchandise Export from India Scheme (MEIS) was introduced in the Foreign Trade Policy (FTP) 2015-2020 on April 1, 2015. MEIS aims to incentivize merchandise exports, including exports from MSME Sector, which are produced/manufactured in India. The details of the scheme are available on website of DGFT: dgft.gov.in.

ii. The MSME sector products with large employment potential and products with large number of producers and / or exporters are included under MEIS are as per details given below:

Sl.No Commodity Group Number of Tariff Lines included under MEIS

- 1 Auto Components/Parts 36
- 2 Auto Tyres and Tubes 26
- 3 Carpet (Excl. Silk) Handmade 54
- 4 Cereals preparation, Seeds, shellac, Essential Oils 57
- 5 Eco Friendly products that add value to waste 37
- 6 Finished Leather, Leather Garments, Goods, Saddlery items, footwear 81
- 7 Hand Tools, Cutting Tools and Implements made of Metals 43
- 8 Handicraft 206
- 9 Handloom, Coir, Jute Products and Technical Textiles 114
- 10 Industrial Machinery, Engineering items, IC Engine, Machine tools, Parts 556
- 11 Marine Products 130
- 12 Moulded and Extruded goods, Rubber, Ceramic and Glass 198
- 13 Processed foods, Cocoa products, beverages 64
- 14 Poultry & Dairy Products 14
- 15 Sports Goods 48
- 16 Tea , Coffee, Spices, Cashew 192
- 17 Textile and Garments (Ex Handlom, Technical Textiles, Carpets, Handicrafts etc) 433
- 18 Wood, Paper, Stationary 164

iii. In addition, the Government continues to provide the facility of access to duty free raw materials and capital goods for exports of goods including those manufactured by the MSME Sector through schemes like Advance Authorisation, Duty Free Import Authorisation (DFIA), Export Promotion Capital Goods (EPCG) and drawback/refund of duties.

(b)&(c) There is already an Export Development Fund, created under the provisions of the Export –Import Bank of India Act, 1981.

As per the Directorate General of Commercial Intelligence and Statistics (DGCI&S) data, the estimated share/contribution of MSME in exports is as under:

S.No. Year % Share of MSME in India's Total Exports

- 1. 2012-13 43.00

2. 2013-14 42.40
3. 2014-15 44.70

(d) & (e). In the Board of Trade meeting held on 06.04.2016, FIEO had suggested investment linked tax benefits, particularly to MSME units.
